

## **JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT**

**Monday, February 13, 2012 at 1:00 PM**

**Room 421, Legislative Office Building**

### **MINUTES**

The Joint Legislative Committee on Local Government met at 1:00 PM on February 13, 2012, in Room 421 of the Legislative Office Building. Eleven members of the Committee were present. Representative Carolyn Justice presided.

Representative Justice introduced and thanked the Sergeant of Arms, thanked staff, and welcomed presenters and guests.

Rebecca Troutman from the North Carolina Association of County Commissioners presented county observations regarding government debt. She introduced Jack Horton, County Manager, Macon County.

Jack Horton, County Manager, Macon County presented on local government debt and financing for Macon County. He reviewed how capital projects are selected for financing, how the financing method is determined, which level of review is undertaken at the county level before submission to the Local Government Committee, measures that are used locally to determine debt affordability and risk and the public's involvement in the process. (See handout 1.) Mr. Horton responded to questions from Representative Torbett and Representative Folwell.

Paul Fulton, Chief Financial Officer, Forsyth County presented planning and financing capital projects for Forsyth County. He spoke about why debt is issued, bond ratings, capital improvement program, the debt issuance team and the process that team uses. (See handout 2.) Mr. Fulton responded to questions from Senator Hunt, Representative Justice and Representative Folwell.

Karl Knapp, Director of Research and Policy Analysis, North Carolina League of Municipalities spoke briefly about debt and financing for cities and towns. (See handout 3.) Mr. Knapp introduced Perry James, Chief Financial Officer for the City of Raleigh.

Perry James, Chief Financial Officer, City of Raleigh presented on the debt program for the city of Raleigh. He reviewed the key debt characteristics, how projects are selected for debt issuance, the type of debt instruments that are used for each project, the review process for debt issuances and how the public is involved. (See handout 4.) Mr. James responded to questions from Senator Carney and Representative Justice.

Jeff Moore, Finance Director, City of High Point presented local government capital financing overview for the City of High Point. He spoke about the objective process for issuing debt, capital improvement program, financing strategies, financing options, decision strategies and how the public is involved. (See handout 5.) Mr. Moore responded to questions from Representative Torbett, Representative Justice and Representative Larry Brown.

Vance Holloman, Deputy State Treasurer, Director, State and Local Government Finance Division of the Office of the State Treasurer, presented the 2011 Local Government Debt Overview. His presentation included an overview of the five categories of financings, the five steps of debt issuance, policy guidelines for debt issuance and finance structuring. Mr. Holloman presented staff recommendations based on statutorily defined findings and other statutorily defined considerations. He presented project development financing (TIF) and the components of the plan. He closed with three TIF projects that have already been approved: Roanoke Rapids Theater, Woodfin/Buncombe County Mixed Use Development and North Carolina Research Campus in the City of Kannapolis and Cabarrus County. (See handout 6.)

Page Allen, Wells Fargo, Regional Vice President/Senior Vice President Government and Institutional Banking spoke briefly about the lenders' perspective on North Carolina local government operations. Mr. Allen spoke about the Local Government Commissions and the help that they provide to the lenders. (No handout was provided.)

Edward Boyles, Wells Fargo Securities, Managing Director spoke briefly about the lenders' perspective on North Carolina local government operations. The projects his team focuses on are larger projects that take longer to pay off. Mr. Boyles responded to a question from Senator Davis. (No handout was provided.)

Lewis Lloyd, BB&T, Senior Vice President spoke briefly about the lenders' perspective on North Carolina local government operations. He focused on the projects that his team at BB&T work on. Mr Lloyd responded to a question from Senator Davis. (No handout provided.)

Mark Bondo, NCGA Fiscal Research, presented the Local Government Capital Project Reports. He reviewed debt submissions to date to the Committee. (See handout 7.)

Representative Justice and Senator Davis spoke about the next meeting and asked the committee for suggestions or concerns to add to the next agenda.

With no further business, the meeting adjourned.

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Representative Carolyn Justice, Presiding

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Reston Jones, Committee Clerk